SUGEN

SAP User Group Executive Network

► Update & Report ◄

HERUG 2010
National University of Singapore
19 April

Palo Alto - 2008

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Boston - 2009

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Agenda

‘The Early Years’ (2007-2008)

- History in: Bird’s Eye View’
- What is SUGEN
- Main deliverables
- Who We Are
- How We Are Organized

‘All Together Now’ (2009) – ‘Expanding Our Reach (2010)

- SUGEN Top 3 issues
  - Report 2008
  - Report 2009
- Mission, Charter, Core Purpose

’SUGEN Top 3 issues’ (2009-2010)

- Long Term Product Strategy Charter
- Enterprise Support Charter
  - KPI measurement (2009)
  - Enterprise Support Advisory Council (2010)
- SAP Solutions and Technology Adoption Charter

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‘The Early Years’

2007-2008

History in: Bird's Eye View

- Before 2007: majority of international VNSG contacts were of bi-lateral nature (esp. with ASUG and DSAG)
- March 2007: ASUG liaison asks VNSG's opinion about 'One voice of the customer program'
- Summer 2007: Walldorf session working out the details (SAP, DSAG, SAPSA and VNSG)
- December 2007: kick-off of SUGEN during 'Influencer Summit' (SAP with analyst's and SUGEN Leadership team)
- From 2008 onwards: regular F2F meetings (1/2 yearly) and frequent Conference Calls with SUGEN Leadership (sub)team and Taskforces

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What is SUGEN ?

- Worldwide network of SAP User Groups
- Almost 40 User Groups identified (maturity varies…)
- Today 12 are actively involved in SUGEN (growing…)
- Shaping SAP's 'One voice of the customer program'
- Focusing on:
  - Strategy
  - Communication
  - Influencing
  - Best practices sharing

  between customer representatives and SAP

#

- AT THE MOMENT: A UNIQUE PHENOMENON IN THE SOFTWARE BUSINESS

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SUGEN: Main Deliverables

Main Deliverables:

- Being the global platform for communication with SAP
- Provide consolidated strategic influence priorities and User Group members to work with SAP to resolve them
- Provide an effective and efficient method for communication among User Groups and SAP and assure proper documentation of priorities
- Share Best Practices between Users Groups and SAP for the mutual benefit of all

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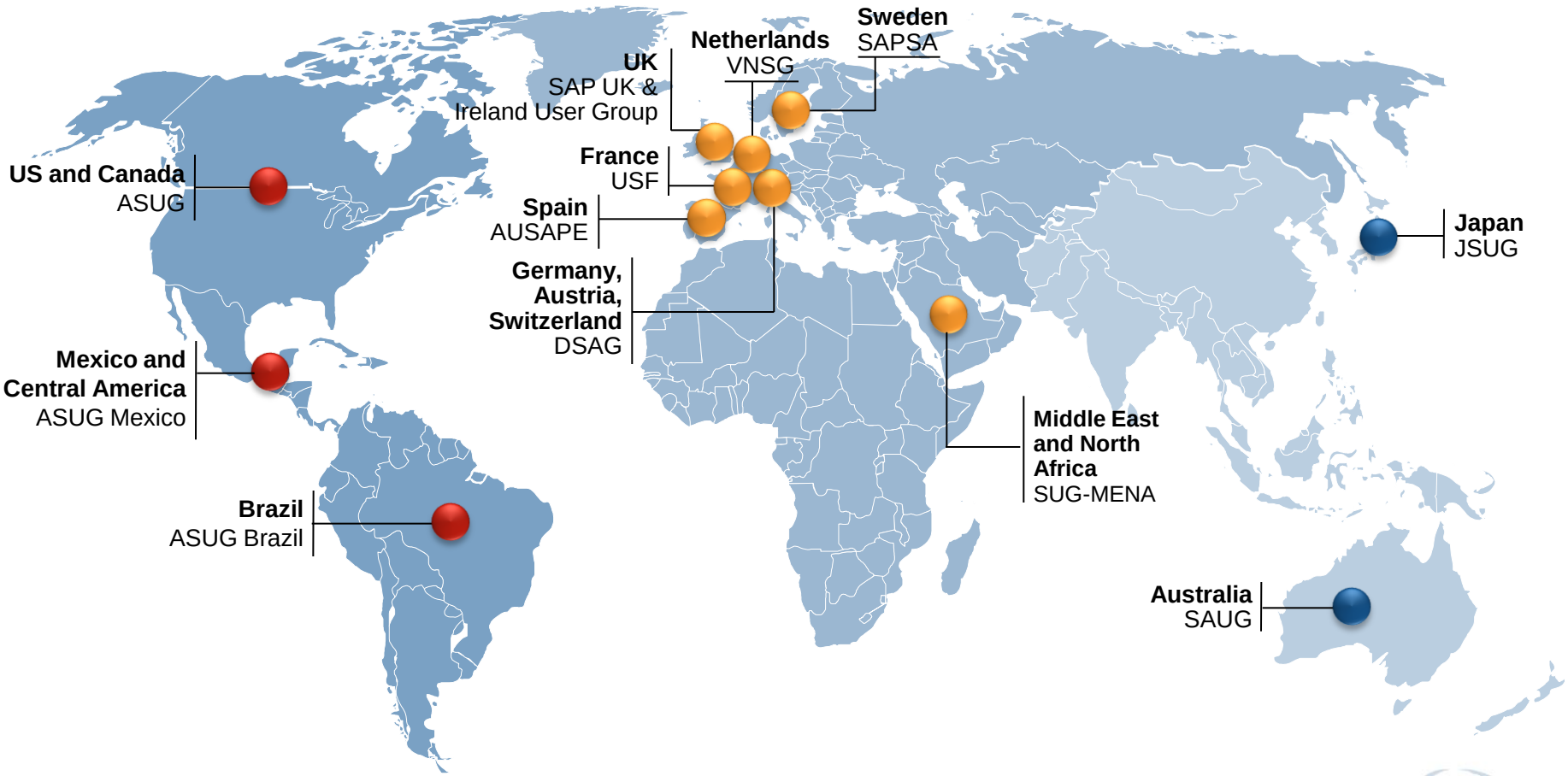
SUGEN: Who We Are

A united network of 12 User Group Communities across three continents



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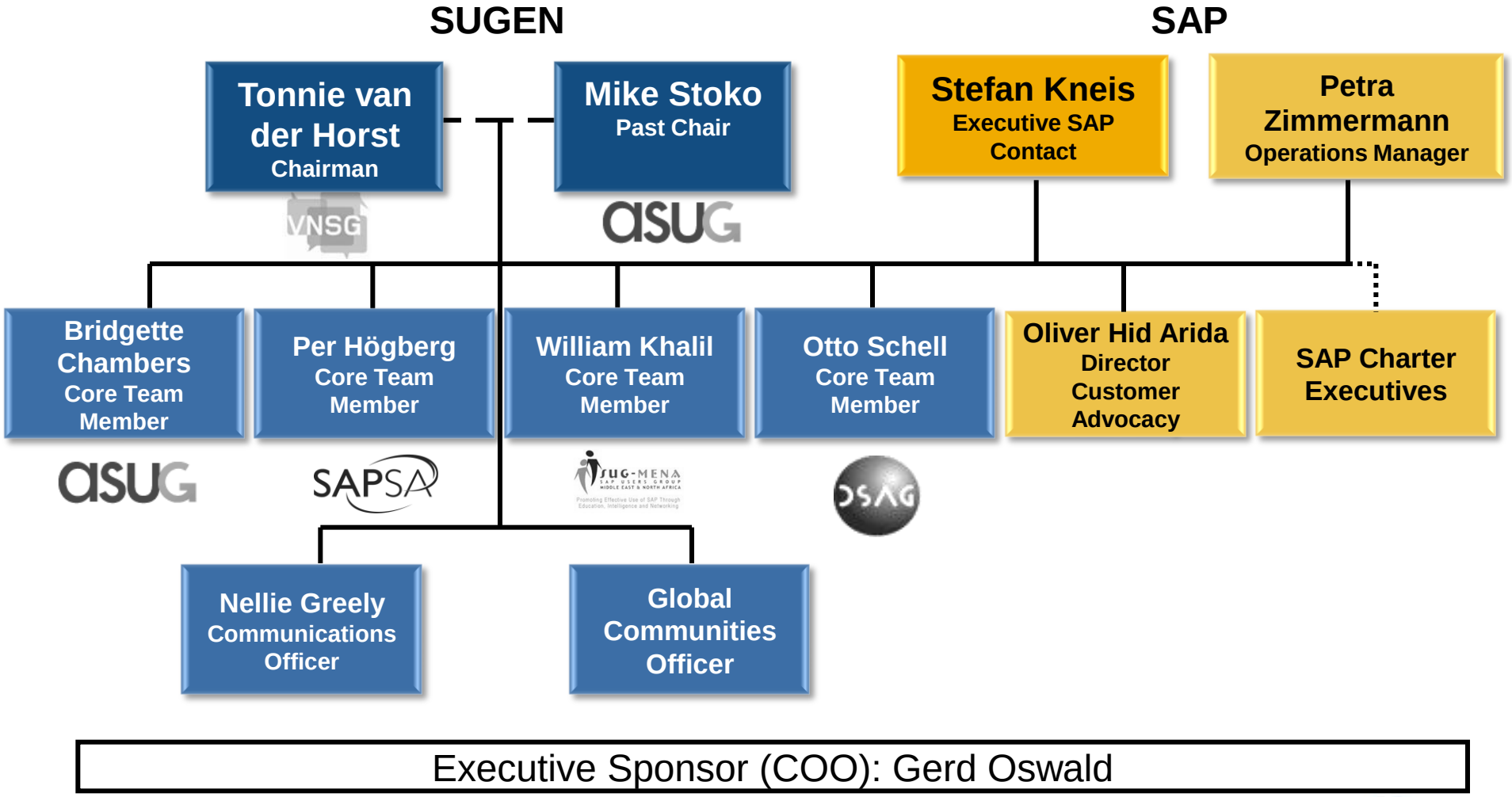
SUGEN: How We Are Organized (2010)



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‘All Together Now’

January 2009

‘Expanding our reach’
February 2010

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SUGEN Top 3 issues – 2008

Top 3 issues – 2008: report

1. **SAP Strategic Direction: with regard to product development and portfolio Roadmap: Closed**
   - Transformed to: Long Term Product Strategy Charter

2. **Enterprise SOA Adoption: Closed**
   - Starter Kit eSOA released

3. **SAP Upgrades: Closed**
   - SAP's original standard maintenance period 4.7 extended until March 2010

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SUGEN Top 3 issues – 2009

Top 3 issues – 2009: report

1. **Long Term Product Strategy: with regard to product development and portfolio Roadmap: Ongoing**
   - Customer Engagement Initiative (CEI) in place
   - Roadmaps Initiative started

2. **Enterprise Support Charter: Ongoing**
   - KPI Program to prove Added Value ES (stopped)
   - Enterprise Support Advisory Council (kick-off meeting April 2010)

3. **SAP Solutions and Technology Adoption Charter: Ongoing**
   - Customer Deployment efforts reduction Best Practices

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SUGEN: 2010 Additional Work Stream (# 4)

4. SUGEN Business Objects

Problem Statement/Task

Purpose/Business need:

- ❑ The reason for doing this work is to increase the strategic engagement and collaboration between SUGEN and SAP
- ❑ To better satisfy the SAP Business Objects' customer needs by providing them with education, influence and networking opportunities within the SAP established user groups around the world
- ❑ To improve overall product and service experience of SAP's installed base of customers.

Project concept & goals:

A. Awareness. Charter will start with an awareness campaign and communications from SUGEN to all SAP Business Objects customers.

B. Customer 360° Study. In order to determine what Business Objects customers want from SAP as a vendor and from a User Group to ensure a successful on boarding, SUGEN will first collect the voice of SAP's Business Objects customer base through a 360° study, which will identify areas of need from User Groups and SAP.

C. User Group and SAP Programs enhancement. User group programs and SAP product and service enhancements will be defined under the scope of this charter, considering the input from the customer community delivered in the 360° Study.

SUGEN: 2010 Additional Work Stream (# 4)

4. Continued - SUGEN Business Objects

D. Best Practices sharing. User Groups will have the opportunity to share best practices and foster collaboration within SUGEN.

E. Influence current and future Roadmap.

- SAP and SUGEN will collaborate to define, align and/or leverage existing SAP and User Group influence avenues.
- SUGEN will also provide help to SAP with the Business Objects portfolio positioning and packaging.

Expected Benefits:

- For Customers: Increased satisfaction and service experience, visibility and influence on Business Objects Roadmap, be members of a community to get access to education, influence and networking.
- For User Groups: Define the value proposition, communities and programs to bring Business Objects customers of SAP as members of each User Group. Share best practices about integration and alignment of communities, collaboration internationally.
- For SAP: One Voice of Business Objects Customers, validation of strategy, current and future product packaging, influence and prioritize planned innovations.

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SUGEN Top 3 isues

2008 ▸ 2009/2010

1. **Strategic Direction ▸ Long Term Product Strategy**
2. **Upgrades ▸▸ Enterprise Support (main topic 2009)**
3. **eSOA Adoption ▸▸▸ Solutions and Technology Adoption**

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SUGEN Top 3 issues – 2009

Top 3 issues – 2008 (and the transferal to 2009 issues)

1. **SAP Strategic Direction with regard to product development and portfolio Roadmap: Open - Long term issue**
   - **For 2009 Charter is continued as 'Long Term Product Strategy' Charter**

2. **SAP Upgrades: Closed – original standard maintenance period 4.7 extended until March 2010**
   - **During 2008 Charter 'Enterprise Support' was started**

3. **Enterprise SOA Adoption: Closed – Starter Kit eSOA released**
   - **In 2009 new Charter 'SAP Solutions and Technology Adoption' is started**

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Enterprise Support Charter

February 2010
SAP returning to multiple Support Offerings (StS or ES)

April 2010
From: SUGEN Enterprise Support KPI Benchmarking Program
To: SUGEN Enterprise Support Customer Advisory Council

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SUGEN KPI Benchmark – Value drivers

Business Continuity

Value Statement:

- Availability of Business Process Scenarios (reduce required planned downtime for maintenance, backup etc)

KPIs:

- Increase number of days without an outage
- Reduce mean time to resolve
- Reduce overall incidents

Business Process Improvement

Value Statement:

- Efficiency of end-to-end Business Processes

KPIs:

- Number of Emergency Changes
- Impact of change
- Number of failed changes

Innovation/Protection of investment

Value Statement:

- Speed of Innovation

KPIs:

- On current technology stack
- Number of redundant custom code and objects; functionality available on newer releases

Total Cost of Operations

Value Statement:

- Maximize your Assets

KPIs:

- CPU Utilization and “overall power growth rate”
- Storage Utilization and growth rate
- Run & Maintain work required for deploying support packages and enhancement packages

SUGEN KPI Benchmark Approach

Key Message

- Benchmark should provide a baseline to assess the value for using and moving to mandatory Enterprise Support
- All KPIs will be measured in the customer SAP Solution Manager (EhP1 or close to latest SolMan)
- KPI changes are clearly related to Enterprise Support

Acceptance criteria

- Goal is to decrease the SUGEN KPI Index by 30% within the next 4 years aggregated over the customers participating in the Benchmark
- Calibration of SUGEN KPI Index so that the achieved cost savings can be related to the price increase

SUGEN KPI Benchmark – KPIs to be measured

ES Value Drivers	SUGEN KPI	Description

Business Continuity	Increase number of days without an outage	• Increase availability of systems and core business processes
		  • unplanned downtime
		  • planned downtime

	Reduce mean time to resolve	• Accelerate customer incident resolution time
	Reduce overall incidents	• Reduce effort of total customer incidents
Business Process Improvement	Number of emergency changes	• Enhance system stability by reducing emergency changes
	Impact of change	• Reduce effort for post go live stabilization and optimization
	Number of failed changes	• Reduce effort due to number and Effort of changes to be backed out
Innovation& Protection of Investment	On current technology stack	• Customer can profit from latest innovations in mainstream or extended maintenance for application and technology stacks
	Number of redundant custom code/objects; functionality available on newer releases	• Reduce maintenance cost by eliminating unnecessary modifications
Total cost of Operations	CPU Utilization and "overall power growth rate"	• Decrease hardware costs (e.g. CPU)
	Storage Utilization and growth rate	• Decrease storage costs
	Run & Maintain work required for deploying support packages and enhancement packages	• Reduce total cost of deploying support packages / enhancement packages

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SUGEN Benchmark KPI Index - structure

KEY MESSAGE

- The SUGEN KPI measurements are provided to the benchmark customers by an **Index,** not per single KPI
- The **SUGEN KPI Index** is measured regularly as an aggregation of the benchmark Indices (KPIs)
- Goal is to improve 30% improvement (cumulative) of the **SUGEN KPI Index** within 4 years
- SUGEN KPI Index will be calibrated so that the improved support delivered over time will be related to the phased in pricing

SUGEN Benchmark History / Trend

Year	2009	2010	2011	2012	Total
Minimal Improvement	4%	8%	10%	8%	30%

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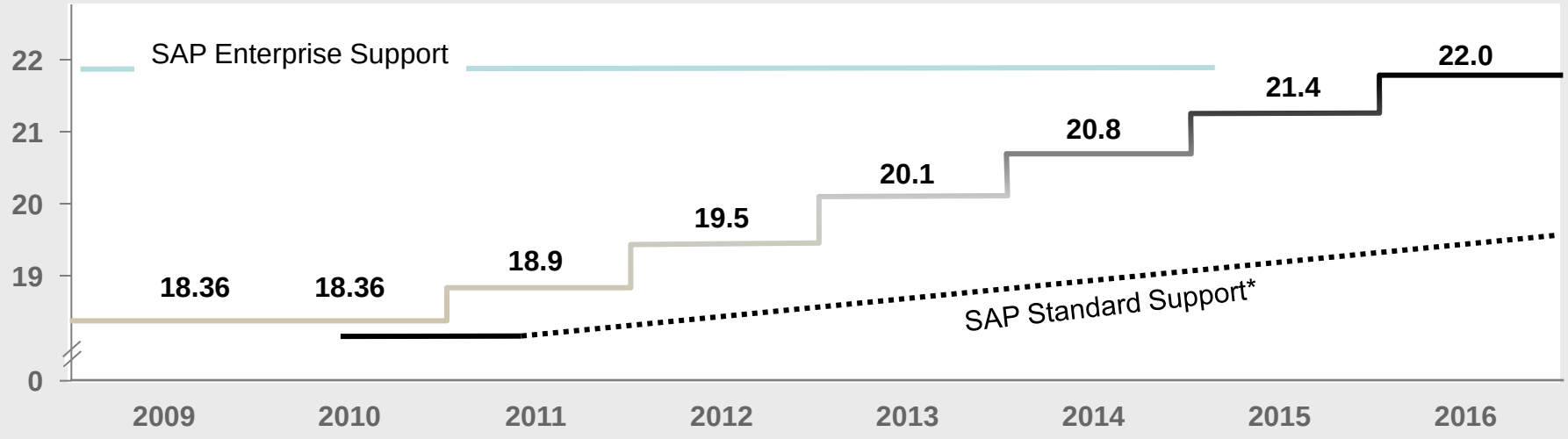
"Look, there's SUGEN"

"SAP customer should be able to choose between Standard Support and Enterprise Support"

Standard Support versus Enterprise Support



*StS CPI Curve drawn for illustration purposes only, Increase is influenced by CPI in each respective locality, CPI may apply based on global decision

- **22% for new licences bought as of 5 July 2008**
- **Price increase no longer depending omn outcome of KPI Benchmark**
- **Future pricing of Standard Support is indicative (influenced by CPI)**

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SAP Active Global Support

Newtown Square Kickoff Meeting (April 2010)

Transformation from: SUGEN Enterprise Support KPI Benchmarking Program into:

SUGEN Enterprise Support Customer Advisory Council:

- **Project Sponsor SAP**
- **Project Sponsor SUGEN**
- **Project Lead SAP**
- **Project Lead SUGEN**
- **Customer representatives from the following geographical area's:**
  - North America
  - Latin America
  - EMEA
  - APJ
- **SAP representatives**

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Enhanced Scope and Advanced Methodology

Gaining transparency on the performance of your IT

The SAP Measurement Platform helps to continuously set the right priorities on the way to establish an Advanced Customer CoE and..

SAP Measurement Platform KPIs

Business Process Operations

- Continuity
- Performance
- Automation
- Exception Management

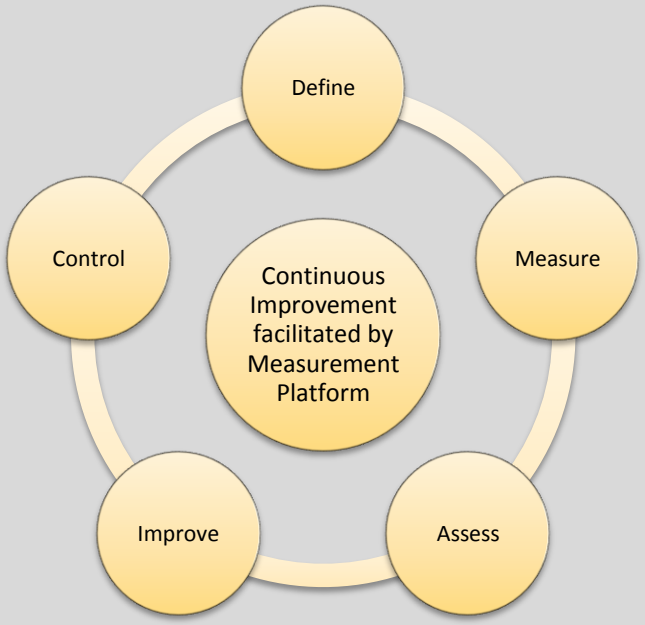
Application Lifecycle Management

- Incident Management
- Change Management
- Release & Update Management
- Custom Code Management

IT Infrastructure Management

- Capacity Management
- Availability Management
- Technical Operations

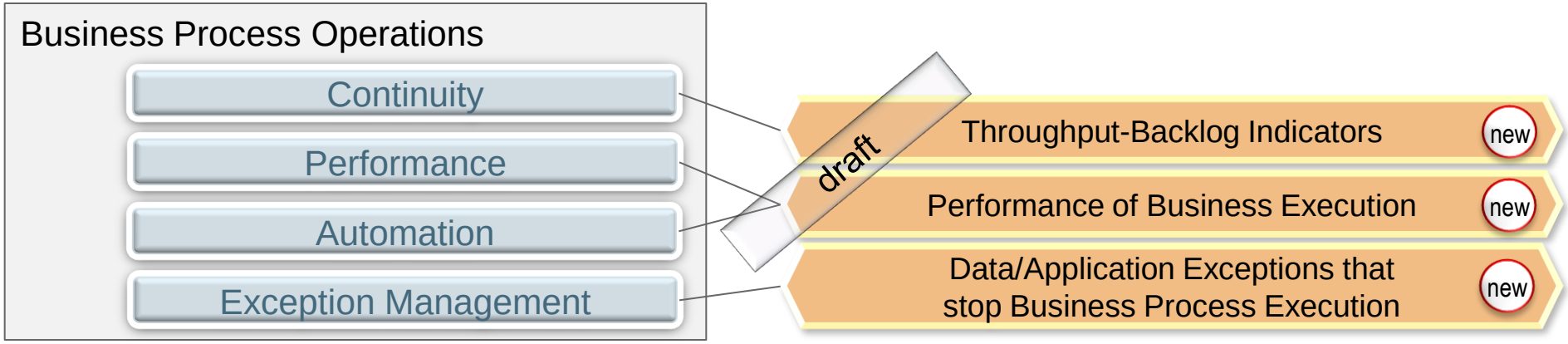
Continuous Improvement



..makes the value & quality of IT transparent by "pushing one button"

Enhanced Scope of the Benefit Case

Business Process Operations

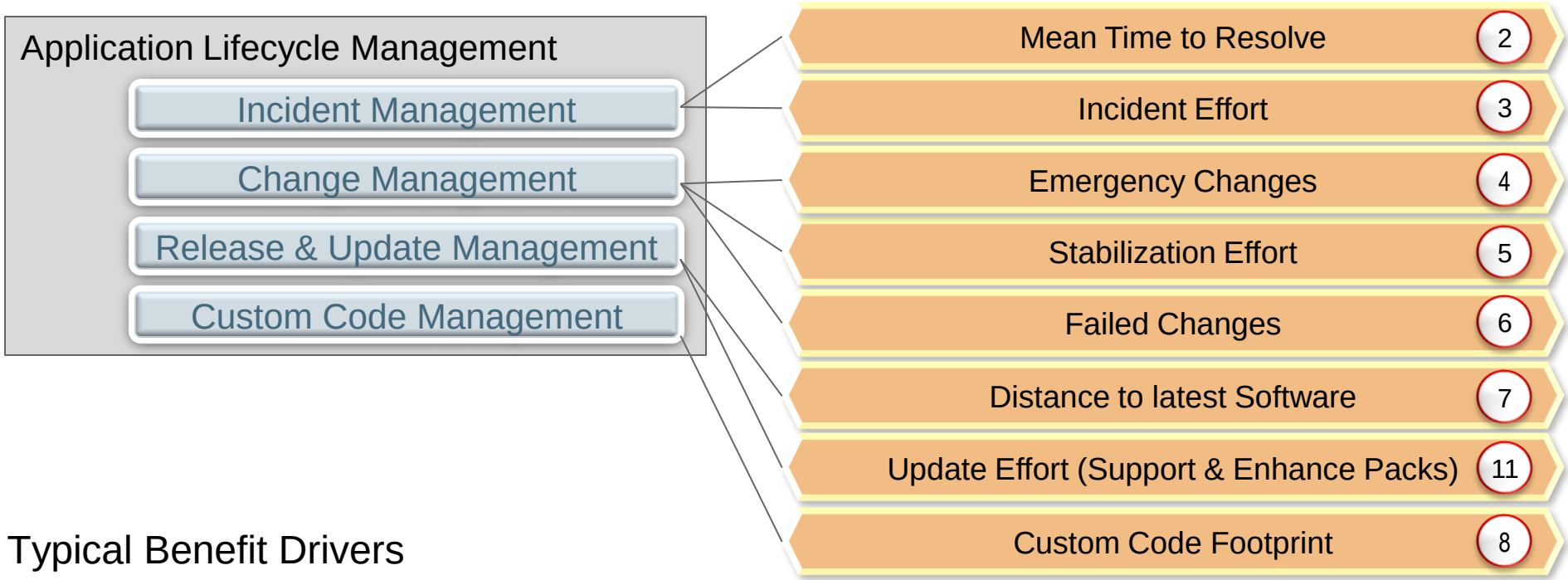


Typical Benefit Drivers

- Customer is able to always process the required Business Volumes – there are fewer Outages of Key Services in the Business Process
- Reduced Business Backlog
- More Scalable Business Throughput
- Increased Business User Efficiency, Simplification of System Interaction
- Fewer manual Interactions and human Errors
- Increased Quality of Data for Decision Making
- More efficient Use of Financial Capital

Enhanced Scope of the Benefit Case

Application Lifecycle Management

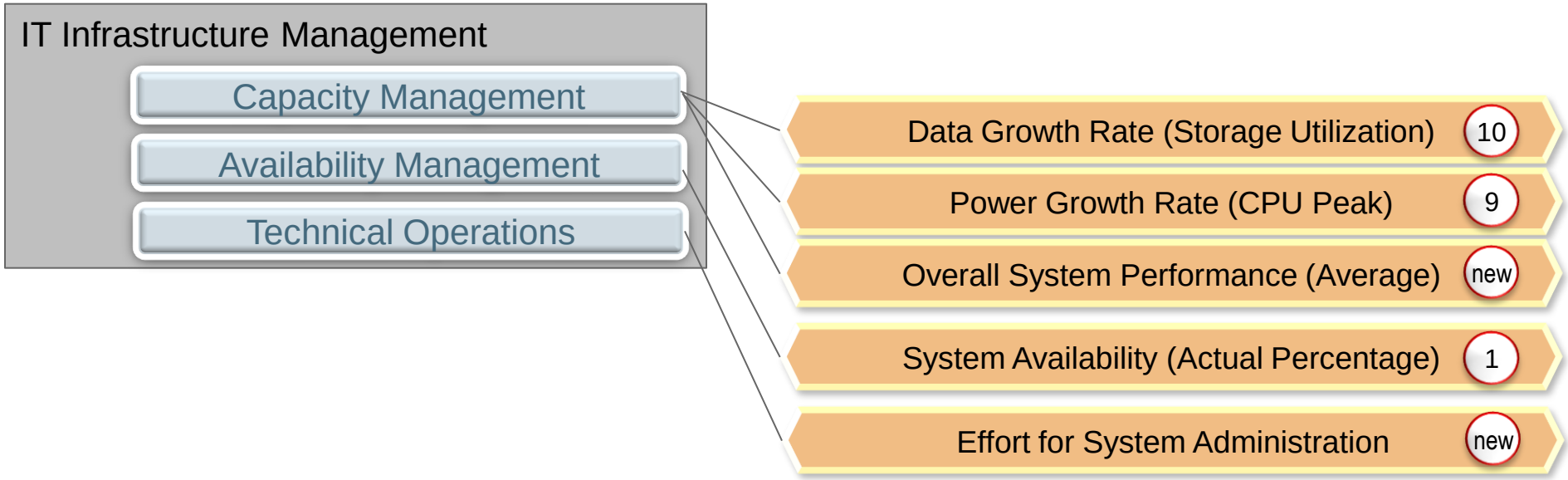


Typical Benefit Drivers

- Most effective End User Support with minimal Troubleshooting Effort
- Continuous Innovation by most up-to-date Functions and Features
- Minimum Effort to keep Software Solution up-to-date
- Least negative change Impact of any Change for Business Process and Business User
- Well-educated Decisions about Use of Standard vs. Customization
- Technically optimal Realization of any Customization

Enhanced Scope of the Benefit Case

Infrastructure Management



Typical Benefit Drivers

- Minimized investment into hardware resources
- Fully scalable Software Solution implementations that facilitate targeted Business Growth on available Infrastructure
- Permanent Availability of System Resource for IT and Business Services

Thank you!

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